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THE LEAGUE'S BUSINESS

H. W. Dodds Resigns as Editor of the National Municipal Review — On January 6, H. W. Dodds, editor of the NATIONAL MUNICIPAL REVIEW, submitted his resignation in the following letter to the Honorable Murray Seasongood, president of the National Municipal League:

> "The time has come when, because of increasing responsibilities at Princeton and for the good of the National Municipal League, I should withdraw from the editorship of the NATIONAL MUNICIPAL REVIEW . . .
>
> "In severing a connection of more than twelve years' standing, I cannot refrain from expressing my sincere appreciation for the loyal support of the officers and members of the League throughout the entire period in which I have been connected with it. I feel that I profited more than the League from this association. The opportunity for forming lasting friendships was one for which I shall always be grateful."

The president refused to accept Dr. Dodds' resignation, pending a conference. On January 26, Mr. Seasongood held a conference with Dr. Dodds in New York City in an attempt to dissuade him from his decision. Since Dr. Dodds insisted upon withdrawing from the editorship, his resignation was submitted to and accepted with regret and sincere expressions of appreciation of his work by the executive committee at its meeting on January 27. At the same meeting Howard P. Jones, public relations secretary of the National Municipal League, and recently managing editor of the REVIEW, was appointed as editor and Dr. Dodds was appointed chairman of the editorial council.

Although Dr. Dodds' services to the National Municipal League are well known, your secretary cannot refrain from giving a brief review of his career. After serving as a member of the faculty of Western Reserve University, Dr. Dodds became secretary of the National Municipal League in 1920 and served in that capacity until July 1, 1928. He has been editor of the NATIONAL MUNICIPAL REVIEW continuously since 1920. Upon his appointment as professor of politics at Princeton University in 1927, he resigned the secretaryship of the League, but retained the editorship of our magazine. Since its organization in 1930, Dr. Dodds has been chairman of the administrative committee of the School of Public and International Affairs at Princeton. His latest outstanding accomplishment is the survey of the state government and administration of New Jersey recently completed by a staff of faculty members of Princeton University under Dr. Dodds' supervision. This survey and report will in all probability lead to a rather complete reorganization of the state government and to economies for the taxpayers of New Jersey.

Dr. Dodds has also achieved an international reputation as an expert on electoral methods and as a conciliator in the settlement of international disputes. From 1922 to 1924 he was electoral adviser to the government of Nicaragua and helped to conduct the first national election in that country under the supervision of the United States government. In the fall of 1925 he assisted General Pershing as technical adviser of the Tacna-Arica Plebiscitary Commission and in 1928 journeyed again to Nicaragua, this time as chief adviser to General McCoy of the National Board of Elections.

Your secretary is as fully informed as any member of the League regarding Dr. Dodds' services to the organization. We cannot bid him adieu without this expression of appreciation for his long continued efforts in our behalf, and without wishing him continued success in his future career.

RUSSELL FORBES, *Secretary*

Editorial Comment
March

NATIONAL MUNICIPAL REVIEW

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The Profession of City Management

A NEW profession—that of city management—has now been in the making for more than twenty years. While two decades or so is a short span in which to judge the building up of a profession, it is not too brief a time in which to make a few observations as to the trail that has been so far blazed through the wilderness of political privilege.

It is possible for municipal government to be run without graft, without the spoils system, without partisanship in the administrative service and without special interests profiting at the expense of the public interest. If that statement had been made a generation ago, the speaker would have been hooted. Today its proof is at hand. One has but to make an unprejudiced examination of the experience of almost any of the 445 cities operating under the manager plan to discover its truth. The statement is no longer open to question. The manager plan to that extent is no longer on trial.

Time was when the election of a new council in a city was the signal for a clean sweep of officeholders, the replacement of experienced men by novices. This is still true in many cities. It is not true in manager cities.

One of the most interesting series of statistics published recently is that with regard to the city manager profession published in the *City Manager Yearbook* for 1933. It should naturally follow that if the city manager plan is actually producing non-partisan government, and city management is really maturing into a profession, the length of the average term of city managers in office should tend to increase (barring too rapid growth of the plan); also there should be a substantial number of promotions from one city to another within the profession. These theorems have been borne out in practice. The average length of service of 424 city managers holding office at the end of 1932 was five years, six and one-half months. This figure represents an increase of seven and one-half months as compared with the average length of service of city managers holding office at the end of 1930.

Eight city managers were promoted from one city to another during the year which makes a total of 214 promotions in the city manager profession since 1908, 58 of them occurring within the last four years. One manager is serving his seventh city, two are serving their sixth cities, three are serving their fifth cities and 54 are serving their second cities.

Naturally enough, there has been a

(Continued on page 132)

Why Throttle One of Our Most Profitable Industries?

BY HAROLD S. BUTTENHEIM
Editor, The American City

ANY industry is socially profitable which yields benefits of greater value than the costs it imposes. Tested by this criterion, the organized services *by* all of us, *for* all of us, which we call government must be placed at or near the very top of America's profitable enterprises. And yet we are being beaten almost into insensibility of this fact by a constant bombardment of anti-government propaganda.

Compare government in its many ramifications with another of our most profitable and useful industries—that of the automobile. It has been estimated that the expenditures of the American people for the purchase, upkeep and operation of passenger cars in the year 1930 amounted to more than $11,800,000,000. For the same year the total tax payments to all units of government—national, state and local—are estimated by the National Industrial Conference Board at $10,-266,000,000. Which vast expenditure was the more profitable?

One way of answering this question is to analyze the value of the resulting services and satisfactions. On the one hand we have the tremendous benefits to personal convenience and enjoyment resulting from the use of some 26 million transportation units. On the other hand we have the manifold services of government—not merely its protective and regulative functions, without most of which a society of 122,000,000 individuals could not long exist; but also the educational and constructive functions, without which all other industries would stagnate. The very schools where we train a citizenship intelligent enough to demand and to use automobiles; the highways without which our automobiles could not operate at all; and the police protection and traffic regulation without which they could not operate with safety, are major items in our allegedly intolerable tax burden.

But, it may be said that the spending of 10 or 12 billions annually on automobiles is desirable not only because of the benefits to the spenders, but also because almost all of this tremendous sum is poured by its recipients into the broad stream of the common economic welfare, through wages and salaries, purchase of materials, payment of rent to land-owners and other disbursements. Conceding the general validity of this contention, is it not equally true of the 10 billions of tax money spent by our governmental units? Is the payment of wages or rent or the purchase of materials out of the tax pocket any less beneficial to their recipients than similar payments out of some other pocket? If the passenger automobile industry costs the American people 10 or 12 billion dollars annually and contributes about that same amount to the national income, is this not equally so of governmental receipts and expenditures? It is no more true that government drains immense sums annually from the national income, leaving that much less for all of us to spend on other things, than it would be to allege that the automobile industry or the construction industry or the agricultural industry performs a similar disservice to the public.

Still another point of view is possible. It may be argued that private industry—in normal times at least—not only pays its own way but makes substantial profits; and that these profits, distributed in interest or dividends to many thousands of security-holders, add to the general wealth and welfare. Government, on the other hand—aside from a comparatively few "self-liquidating" services—is an unprofitable enterprise as business men understand that term.

But suppose we were to turn over our governmental activities to a group of profit-making corporations, and that instead of our present tax payment we were to be charged a fee for every governmental service and facility—ranging from a fraction of a cent for each time we came within view of a traffic officer to a hundred dollars for each year's tuition of our children in the schools. Such corporations—if we allowed them also to charge us profits for conducting elections and holding legislative sessions and fighting wars and pensioning veterans —would no doubt be willing to replace our ten-billion tax bill with eleven billions in collections for these manifold services, thus earning a profit of 10 per cent on their gross business. Government—local, state and national—would then become a dividend-paying enterprise; but would the average citizen be any more healthy, wealthy or wise? Wiser, perhaps yes!

It may be said that this is not the whole story; that our 10-billion-dollar tax bill includes too large a percentage of wasteful expenditures —that if all of our public servants were thoroughly efficient and impeccably honest, we might cut 10 or 20 per cent from our taxes without serious detriment to our governmental services. Granting that this may be true, does anyone imagine that similar savings might not also be made in private industry? Again selecting the automotive industry for comparison, where can we find more socially wasteful examples of governmental overbuilding than are evident in the erection of manufacturing facilities vastly in excess of the economic needs of even the late-lamented boom period? And where is there any such overlapping of governmental activities as is to be found in the excessive duplication of the automobile sales forces, show rooms and service stations? And where is there such negligent use of public property as is to be seen every day in the criminally careless operation of passenger automobiles on our streets and highways? By all means let us eliminate waste and inefficiency and graft wherever possible. Let us get rid of public services that do not serve and of functionaries who do not function. But let us not assume that government is a voracious monster whose activities as a whole are costly rather than beneficial, and that private industry alone is wealth-producing.

These times call for a reappraisal of values; for more careful consideration of what is really worth while in life; and for a rejection of the false philosophy that sees in mere budget-slashing a cure for our present economic ills. What the patient needs, as someone has well said, is the application not of a meat-ax but of a surgeon's scalpel. And for convalescence he needs no blood-letting by witch doctors, but invigorating food and healthful activity prescribed by specialists who are living and thinking in the twentieth century.

HEADLINES

Removal of the "joker" in the city home rule law of New York State whereby only in cities with the commission form of government may citizens force the calling of an election to vote on the question of a new charter, is provided in a bill just introduced into the legislature by Assemblyman Moffat of the famed Hofstadter committee which sponsored the Seabury investigation. The "joke," of course, has been that in New York State there are no cities with commission government!

* * *

A series of bills has also been introduced into the New York State legislature by the same author which hits at the rich patronage enjoyed by Tammany in the offices of the five county governments within the limits of New York City. The bills would abolish the offices of commissioner of records, public administrator, commissioner of jurors and pave the way for a constitutional amendment to get rid of the county officers at present protected by the constitution.

* * *

Speaking of constructive economy in government, there is a little item of $8,000 spent by the federal government for senatorial shaves, haircuts and massages in the senate barber shop. Seems a bit odd, amid all this talk of "rugged American individualism."

* * *

Rolling up huge majorities for the manager plan in all four wards, citizens of Oklahoma City by a four-to-one vote registered their emphatic disapproval of partisan amendments to the charter which would have altered the form of government through making the department heads elective, returning to a partisan ballot, and the ward system of representation.

* * *

Demand for a return of the city manager plan with a small council chosen by proportional representation has been made publicly by the League of Women Voters of Cleveland.

* * *

Even the unemployment relief problem is not free from religious complications. Detroit has been forced to open a special feeding station for Mohammedans, whose religion forbids them to eat food cooked in lard.

* * *

In Chicago, Cook County Treasurer McDonough is threatening to invoke an ancient statute which permits him to sell the personal property in cases in which a real estate owner fails to pay his taxes.

And on the other side of the ledger we have the Michigan legislature refusing to permit the sale of homes for taxes and considering the banning of mortgage foreclosures during the emergency.

* * *

Local pride and prejudice combined with the anxiety of officeholders to retain their jobs, constitutes the chief obstacle to consolidation of governmental units. Vigorous opposition is being manifested to the proposed merger of thirty-six municipalities in Camden County, N. J.

* * *

Consolidation of Macon and Bibb County, Georgia, on the other hand, appears likely to go through, a bill having been introduced in the legislature with the support of the county delegation.

* * *

Some clever newspaper editor should have taken advantage of the present furor over repeal of the eighteenth amendment to write a headline something like this: "Dry Law Repeal Throws Legislators into Ferment." Like the *Detroit News* copyreader who headlined the sheriff's eviction of a tenant of the Abstract building, "From the Abstract to the Concrete."

* * *

Mayor Bright of Richmond made one mistake in ordering out of his office communists appealing for relief for the unemployed. He promptly followed it with another, severing relations with the critical press through barring reporters from access to police records. If ever municipal government needed understanding and appreciation of its work in editorial chairs, that time is now. Hasty tempers won't help.

* * *

Deficits are beginning to be common guests at the table of state government. California faces a possible deficit of $50,000,000, Texas one of at least $14,000,000 and New York State is seeking new revenues of nearly $100,000,000 to fill the prospective gap between present income and future outgo.

* * *

Prices of farm products have slumped again. Pressure from rural areas for tax reduction and scaling down of public and private indebtedness will be well nigh irresistible as the legislatures of 43 states wind up their sessions. It's the chance of generations to squeeze out the waste in local government.

* * *

A complete public works cost accounting system has been installed by City Manager Clyde E. Wallingford of Newport, Kentucky, in coöperation with the Committee on Uniform Street and Sanitation Records. Cost analyses can be as effectively employed in public as in private business as a basis for checking efficiency of operation, preparing budget estimates and costs of proposed improvements. More and more will be heard from cost accounting in municipal finance.

Scrapping Useless Governments*

Larger areas for local units advocated to eliminate waste and increase efficiency

FRANK O. LOWDEN

Former Governor of Illinois

We are all interested in the federal government. We give a good deal of thought to our state government. Our cities are more and more engaging the attention of the citizen. In the realm of rural local government, however, it is only in recent years that students of political science or our people generally have felt any concern And yet it is precisely these governments which affect the lives of the country population most frequently and most intimately. It is to support these governments that the larger part of our taxes go. It is to these governments that we look largely for our protection. It is upon these governments that we depend for the maintenance of our poor, for the custody of our petty evil-doers and those awaiting trial charged with more serious crimes. It is these governments which administer our schools. Other important functions also rest upon the local governments. No student of the situation contends, I think, that these bodies, under present conditions, are either economical or efficient.

Our county jails have been a disgrace to our country for more than a hundred years. One eminent writer says that to find a parallel it is necessary to go back to Turkey and to the thirteenth century. Our county almshouses have been a reproach to our civilization since they were first established. This is not the fault of the officials who, in the main, are humane and considerate men and women. It is the system which is to blame. The inmates of the county jails and the inmates of the almshouses are too few in number for modern or humane or economical administration of either. They should be abolished altogether and in their place should come either regional or state institutions. In some parts of New England where the state has partially relieved the counties of the care of the poor, they are more comfortably housed and better cared for at less than half the cost than where the counties perform this function. Virginia recently has substituted for the county almshouse ten for the entire state. We are told that the inmates are better cared for than ever before with an average cost per capita of but little above one-half of the original cost.

COUNTY IS OUT-OF-DATE

It is evident, I think, that the county no longer functions as a successful government. How, then, you ask, did this form of government come about? Were our fathers so much less wise than we that they devised wholly inadequate units of government? By no means.

*The first of a series of radio talks over the Farm Forum hour of the National Broadcasting Company, on the subject "Cutting the Cost of Rural Government," sponsored by the National Municipal League. Governor Lowden is honorary chairman of the League's Committee on County Government.

When counties were first established they met the needs of the times. The functions performed by the county were simple and few. They were chiefly concerned with the administration of justice and an official record of title deeds. In the early stages of the counties even education was a private matter and there were no public schools. Road construction was simple and largely a township matter.

Transportation was slow and difficult. Hence the county must not be so large that all the residents could not reach the county seat with reasonable convenience. The county, therefore, as thus established, while admirably suited to those earlier conditions, is wholly unsuited to those of the present day. For now the county seat, for all practical purposes, is as accessible to the remotest resident as the nearest district school was a century ago.

Not only was the county small geographically to meet the needs of the time, but a genuine organized government seemed unnecessary because of the few and simple functions which it then performed.

COUNTY IS HEADLESS

How different the present picture! Within the space of a hundred years the county government has undergone a complete transformation. As the county gradually took on new functions, it created new offices to discharge those functions. These offices were generally filled by popular vote. Each office was independent of all the others and there never has been an actual, coördinating head of the county government.

In the realm of state government, revolutionary changes have been effected in recent years. There, too, until recently the larger and more complex duties of the state were performed through scattered, uncoördinated and independent boards and commissions. In the most progressive states there has been substituted a unified, cohesive and responsible government with the governor actually at its head. This has resulted in economy, and above all, in increased efficiency. In the cities, likewise, there have been noteworthy reforms in recent years. There, too, the trend has been toward a more unified and therefore better coördinated government.

Rural government, however, has been largely untouched by this modernizing movement. It seems appropriate, therefore, to inquire into the principles upon which state and city governments have been organized and to see if these principles cannot be made to apply to county government.

No organization of any kind is possible without an actual head. We recognize this fact in every other human institution except in rural government. No business or civic or charitable organization would long survive without a chief executive. In the realm of national and state and municipal government we recognized this principle in the beginning. For our county government, however, we have never had a head. As I have pointed out, this practice was unnecessary in the simpler days when the county was hardly more than a political unit of the state. With the new duties, however, assumed by the county, there is the same need for an executive head here that there is elsewhere. Efficiency and economy are idle dreams without a strong directing hand at the head of any enterprise, whether private or public.

AN EXECUTIVE BUDGET NEEDED

The executive budget has come to be regarded as indispensable to an economical government. An executive budget, however, is an impossiblity unless there be a chief executive to make it.

The evils of the long ballot have in recent years been clearly shown by our foremost students of government. No-

where are these evils more manifest than in county government. And yet we have done less to correct them there than in any other field.

Self-government, locally, has been regarded from the earliest days as the cornerstone of our political structure. Unless the people of the several communities are able in the main to take care of their own affairs, too great a strain is placed upon the central government, and a highly developed bureaucracy is inevitable. We have already gone too far in this direction. The present tendency will continue unless local government becomes more efficient. It is sometimes urged that to consolidate counties is a move away from local self-government. Quite the reverse, I think, is true. If counties are so small that their revenues will not support an adequate county government, the state will be more and more inclined to take over duties that can be better performed by the county. If we would check the encroachment of the state upon the functions now exercised by the county, we must make the county government so efficient that there will be no reason for such a change.

I realize the practical difficulty in effecting the consolidation of counties. Without such consolidation, however, contiguous counties to a large extent can be united to administer revenue, schools, highways, health, charities, and other subjects of state concern.

ABOLISH THE TOWNSHIP

The town, or township, as it is sometimes called, is a still smaller unit of government which has largely survived its needs. No one but the town assessor now knows what its boundaries are. In the earlier days of slow and difficult transportation to the county seat the township had real significance. Now, with the coming of swift and easy transportation, the reason for town government, outside of New England, seems largely to have disappeared. Gradually its functions have been taken over by the county. The roads are being constructed and maintained more and more by the county and state. Even where the township road commissioner survives he is under the supervision of the county authorities. In Illinois we formerly had town collectors of taxes. These officials did little or nothing and were rewarded with 2 per cent upon the taxes paid. During my service as governor of Illinois we abolished these township collectors. The result has been a direct saving to the state of more than two million dollars annually, with the taxes collected more efficiently than before by the county officials. Competent authority estimates that the indirect saving has been at least another two million dollars. Even the township assessor, the last of the town officials who is really active, seems on the way to extinction, as county assessment of all property is now regarded a more equitable method than township assessment.

It may be that the township can be reconstructed so as to become a self-conscious community. The closely knit community, wherever it has been established in rural America, has contributed greatly to the well-being of the members of the community. These communities, however, no longer follow township lines. If, then, something can be created to take the place of the present township which shall be in fact a rural community, it will be of immense benefit not only to the community itself, but to the country at large.

REDUCING SCHOOL TAXES

The heaviest tax burden upon our rural citizenship is the school tax. Isn't it possible to lighten this burden and at the same time improve the quality of the country schools?

A very notable survey of the one-room schools of Illinois has been made

(Continued on page 136)

A Million Men Return to Barter!

Self-help movement seen as way out of unemployment relief labyrinth for desperate municipalities

BY RICHARD A. LESTER

Princeton University

A NEW movement is sweeping across this country, leaving nearly a million men employed in its wake. The barter-exchange and scrip self-help movement, originating on the Pacific Coast, where they have more of the pioneer spirit and fewer funds for unemployment relief, is spreading rapidly toward the Atlantic. Already nearly 300 separate exchanges have been set up in 30 states of the Union—even Hollywood, California, has one; yet it is barely a year ago that the first exchange began to operate.

THE UNEMPLOYED WORK FOR THEMSELVES

Today California, Washington, and the Rocky Mountain region are literally alive with such emergency exchanges, by which the unemployed pay one another in the goods they themselves produce. Los Angeles County alone has more than 80 of them. By means of a wireless system set up by the unemployed and trucks rescued from junk heaps, the exchanges in California communicate, swap, and borrow from each other like housewives.

Every day or so word is received that a new emergency exchange has been set up. From all over the country come letters by governmental officials, business men, relief administrators, and newspaper men, requesting data about such exchanges and with good reason.

Listen to this California correspondent: "At this date in Los Angeles County alone we are caring for over 40,000 families at a total cost to the taxpayer of less than 20 cents per month per family as against 10 to 12 dollars per month per family through the regular county relief methods of direct relief, thereby saving the county taxpayers millions of dollars." In California, the governor, the relief administrators, and business men, have assisted the emergency exchanges both with counsel and funds.

Already four states, California, Washington, Utah, and Colorado, have statewide organizations, and in the West bills are being introduced into state legislatures to coördinate such local exchanges into more compact organizations under more competent direction, so that their economic effectiveness may be increased and relief costs can be cut down accordingly. Two bills, along somewhat the same lines, have been introduced into Congress.

At the hearings on the Costigan-La-Follette relief bill before the senate committee, it was suggested that such emergency exchanges be studied, that their activities be aided by counsel, and that a part of the federal funds designated for unemployment relief might be reserved for furthering their activities. Recently a number of well-known economists and some welfare workers petitioned the President and governors of

the various states to investigate, and, if deemed advisable, to lend assistance to the barter-exchange and scrip self-help movement.

COÖRDINATION OF UNITS

Meanwhile a number of economics professors have independently worked out programs or plans for alleviating the burden of unemployment—plans based essentially upon principles that are being put into practice in Los Angeles, Salt Lake City, Minneapolis, Dayton, New York City, and some 200 other communities. By means of these plans, such local exchange units would be coördinated into a state- and nation-wide system, so that large cities, distant from food producing areas and having highly specialized industries and services, could be brought into the exchange circle without upsetting the balance of production or forcing a reversion to small-scale methods. All that is needed in order to put the unemployed back to work at occupations for which they are trained, according to the authors, is an emergency exchange organization covering a territory wide enough, so that the various needs of the members can be met from the goods and services that they, the members, have to offer. Professors Frank D. Graham of Princeton, Hornell Hart of Bryn Mawr, Emil Lederer of Berlin, Edgard Milhaud of Geneva, Howard O. Eaton of the University of Oklahoma, Ernest J. Wolfe of Columbia, Jacob Baker of the Emergency Exchange Association of New York, and numerous others have drafted such plans.

Until recently, those who inhabit swivel chairs had looked upon these barter- and scrip-exchange activities with tolerant indifference. Such swap exchanges seemed to them to be about on par with bringing back prosperity by having each family take in another family's washing. Now that the movement is growing by leaps and bounds, and economists and relief officials are encouraging it, many business men are still somewhat at a loss to explain the meaning of the movement or the reason for its rapid rise.

The reason is implied in the very name of some of these organizations set up by the unemployed, namely, exchange. Normal exchange relationships have broken down. There may be a wide variety of opinion as to what caused the depression, but there can be no doubt that the difficulties of exchange are prolonging and intensifying it.

SALES REQUIRE BUYERS

What has happened both locally and internationally is that each person, each industry, and each country, is trying to increase its sales and decrease its expenses and purchases, little realizing that there cannot be sales without buyers, or exports without imports. A sale is only one side of an exchange, and if one side stops, the other side must stop. The result is that producers do not buy because they cannot sell, and they cannot sell because they do not buy.

With each individual and community trying to remain solvent by cutting down on purchases and expenses, which in turn undercuts the market of other producers, even the wisest of producers are sucked into a vicious circle of declining demand, falling prices, and distress selling with real debt burdens increasing faster than the debts can be liquidated. Under such conditions, almost any production becomes over-production.

In our highly specialized exchange economy, where people produce for sale and not for use, such a vicious spiral, leaving markets glutted though production be only 50 per cent of normal, causes some economic activities to be short-circuited from the cash nexus—men are laid off and factories lie idle. The thought occurs quite naturally, as it occurred to Professor Graham and

many others, why not bring idle men and idle factories together so that the idle can support themselves and do so in a way that will not interfere with customary trade and production? They saw that the chief requirement to put unemployed back to work at jobs for which they were trained—of course some capital and coöperation are necessary—was an organization large enough to get a balanced production and a method of exchange which assures that exchange will take place.

SCRIP

Some have asked why a supplementary medium of exchange is necessary for the operation of these plans. Obviously the unemployed cannot, at present, sell their goods and services for dollars on the regular glutted markets. In fact, drawing them off into a self-contained exchange unit of their own takes part of the selling pressure off regular markets.

The unemployed could not be put back to work and paid in cash (even if such cash were available), for the producer would not be sure that the cash expenses he paid out would eventually buy back the products he produced with those whom he reëmployed. By paying the workers in barter coupons or warehouse receipts, which are good for purchases only at the Emergency Employment Corporation, as Graham calls his central exchange, a market is assured for the increased production and, consequently, overproduction is impossible. The purchasing power of such coupons or certificates is adjusted to the total product that the unemployed turn out. Since, in most localities where scrip exchanges have been set up, the certificates are issued only against goods actually produced, the market can be cleared; the new production is balanced by new purchasing power. The greater the quantity produced, the greater is the relative demand, for, at the very time the goods and services are ready for sale, the effective demand that provides for their distribution to the consumers is supplied.

For this reason, the certificates paid out are of the nature of warehouse receipts and not fiat money. In fact, they are not currency at all, but rather of the nature of street-car tokens. They are a claim only to the goods that the unemployed have produced and, moreover, to speed up spending, a time limit is put upon their use. When the transaction is completed, the certificate is cancelled. In other words, these plans attack the very root of the problem of unemployment and under-employment, namely, the lack of effective demand.

Such a scrip plan is being operated with a remarkable degree of success by the Natural Development Association, which began in Salt Lake City, October 1931, with an exchange of Idaho potatoes for Utah shaves and haircuts, and right now is doing between five and ten thousand dollars worth of business daily. The Association operates two canning factories, a tannery, a small oil refinery, a coal mine, a sawmill, a soap factory, a fruit-drying plant, a sewing department, and a newspaper. Its scrip, accepted in many theaters, banks and retail stores, is non-transferable and good for only one exchange transaction. With it one can buy anything from life insurance and electric washers, to sand and gravel, radios, and swimming lessons. Incidentally, this group has induced Senator Smoot to introduce a bill asking that federal funds be used to further "barter exchanges."

THE MUNICIPAL RELIEF PROBLEM ACUTE

It seems probable that such emergency exchanges will spread and thrive during the depression. More and more, with relief costs mounting and local governments facing wholesale tax delinquencies and payless paydays, the

unemployed must be put to work producing goods and providing services that they themselves can consume. A program of public works construction alone will not solve the problem. Most localities and states have found that work relief (made work), under which 80 per cent or more of the expenditures are paid out directly in money wages to the unemployed, is too expensive a method of relief to continue on an extensive scale. Gradually, with the financial or cost factor becoming more and more important, relief administrators have been forced to put the unemployed to work at jobs which provide goods and food that the unemployed themselves can consume. Thrift gardens have been encouraged; commissaries manned by the unemployed have been set up; in a number of cities, cobblers, barbers and tailors have been moved, machinery and all, into donated or rented buildings and used for the repair of the shoes of the unemployed, for cutting their hair, for rehabilitating second-hand clothes, and for making Red Cross cloth into new wearing apparel. In Elizabeth, New Jersey, for example, the Singer Sewing Machine Company donated a number of machines with which relief-receiving women make and repair clothes for the others on relief, and in numerous other cities much the same thing has happened.

WORK FITTED TO THE WORKER

But if the unemployed are to be put to work providing goods for their own consumption, which, as the report to the legislature by the State College of Washington points out, is the only intelligent thing to do, that should be done in an intelligent manner. They should not be transplanted, on a wholesale scale, into the unorganized occupations, like farming, which have been hardest hit by the depression—hardest hit because they, the farmers, have not been able to control production and prices as large-scale industrialists have. Those who encourage thrift gardens and advocate turning some-time factory workers into full-time farmers, should be made to realize that they are really further unbalancing the relation between agricultural and industrial production and prices, which, in part, helps to explain our present difficulties. It is not farm, but factory production, that has fallen off 50 per cent or more since 1929. Farm production is still at a pre-depression figure. The unemployed and their families number more than our total farm population. To move even a small part of them from the sidewalks to the soil, would mean a further increase in farm production, whether that production was for sale or home consumption, and a further unbalancing of price relationships.

The thing to do if food orders, paid out of the public purse and doled out to the unemployed, are to be done away with, is for the unemployed to be put to work producing goods and providing services for which the farmers will be willing to exchange a part of their excess crops. In other words, instead of public funds supplying food orders, the unemployed buy their food from the farmers, paying them with manufactured products or special services, such as medical and dental care, shoe repair, haircutting, tailoring, plumbing, and what not. That is the way to build up the farm market for the products of industry, and that, by the way, is just about what the unemployed in Los Angeles and vicinity have done.

If we are to put the unemployed to work at self-help projects, we should do so with understanding, so that existing exchange relationships do not become more distorted. The question is whether such emergency exchanges shall thrive like patches of weeds, or be directed with intelligence.

Reorganizing of Local Government in New York State

Abandonment of self-government in some areas and increased home rule in others considered by state commission

CARL E. McCOMBS, M.D. *Institute of Public Administration*

PROPOSALS for the reorganization of local government are not by any means new. They have been made by every state commission which has sought to reduce the tax burdens upon real estate. The necessity for such action, however, has not been fully appreciated until this present emergency. During the years of prosperity, even though the costs of local government mounted year after year, the resources of citizens were such as to permit them to accept their increasing tax burdens without great complaint, and lacking such citizen protest, the great majority of our county, city, town and village governments continued to expand and expend, not only for the current operation of government, but for improvement projects which laid upon taxpayers heavy burdens of debt, which in many localities now prevent an adjustment of taxation to the capacity of the people to pay.

It is this critical situation, as highly aggravated in wealthy New York State as in any state in the Union, that led the New York State Commission on Revision of the Tax Laws, of which Senator Seabury C. Mastick is chairman, into the problem of local governmental reorganization. The commission, having drafted a long-range taxation program for New York State which would relieve the tax burden on real estate to a considerable degree, and having suggested a number of additional sources of revenue for emergency purposes, turned to the other side of the shield in pursuance of instructions from the legislature "to consider possible economies consistent with efficiency in the collection and expenditure of public monies."

REORGANIZATION VITAL

It would appear that no substantial permanent reduction of tax burdens can now be effected by local governments throughout New York State without either the drastic curtailment of necessary services for welfare, health, police, fire protection, highways or education, or an intelligent readjustment of local government functions and their relations one to another and to the state. Curtailment of essential services for the protection and well-being of the people would, it is believed, serve only to increase immediate distress, and would ultimately mean a much greater future tax demand. The only solution of the problem is a reorganization of local government which will permit not only a reduction in the number of local government units, but also a better division of administrative responsibility between the local governments themselves and between the local governments and the state.

Under modern conditions of transportation and communication many public

services now administered by small units of local government could be administered more efficiently and economically by larger units, as the county or the state. By broadening the base of administration of such services as highways, health, welfare, police, education, etc., personal service costs could be reduced to the minimum, higher qualifications for public officers more readily guaranteed, duplication and overlapping of services eliminated, and more adequate budgetary and fiscal control provided. Furthermore, such reorganization would permit the creation in many parts of the state of administrative units of local government with populations sufficient in numbers and resources to reduce the burdens of the individual taxpayers. This in turn would make it possible for the state to administer state aid to local communities with greater economy, and with greater certainty that such state aid would not be wasted.

The government of the state of New York is twofold, namely, state government and local government. Each is complementary and supplementary to the other. Until local government with its multiplicity of small city, town, village and special improvement district units has been so reorganized that it is capable of serving the people efficiently with the minimum of waste, the state government is utterly incapable of reducing its own cost substantially or of maintaining adequate supervision over local government activities and finances. As long as local government continues to operate under the present system, the tendency toward economic decline already apparent in many agricultural regions of the state will go on and at an increasing pace. As long as this decline continues, the state will be called upon more and more to contribute state aid in such sums as are necessary to support needed local services and institutions which the localities can no longer maintain from their own resources.

SUMMARY OF PROPOSALS

The Commission recognized that this problem of state aid to local communities is one which cannot possibly be solved except through a reorganization of local government which will reduce its cost to such a point that it can be met in greater measure by the localities themselves and that it is economically unsound for the state to continue to bolster up through state aid, many small local governments whose people could be adequately served and at less cost either by the state or county. In other words, the Commission's proposals in its report to the legislature just made public are designed: first, to reëstablish county government with a fully competent executive; second, to transfer from the cities, towns, and villages to the county such administrative functions as can be more efficiently and economically administered by the latter; third, to transfer from the counties, cities, towns, villages to the state those administrative functions which can be best administered by the state on the basis of local administrative districts, which may include one county or several depending upon local conditions and needs.

With respect to county government, the Commission offers two optional plans of reorganization without constitutional amendment. Plan A provides a county president plan under which the county executive, i.e., the county president, is elected by the people for a four-year term, and serves as chairman of the board of supervisors. The county president under this plan would be responsible for the general administration of all branches of the county government, and would prepare the county budget for submission to the board of supervisors. Plan B provides for a county executive to be appointed by the board of supervisors without fixed term, to function in much the same way respecting ad-

ministration and budget as the county president under plan A.

Neither of these plans affects the make-up of the board of supervisors which is tied up by constitutional clauses. Each provides, however, for considerable centralization of administrative responsibility in the hands of a single competent executive, and through him for greater coördination of town and county activities and relations. Nevertheless it is appreciated by the commission that adequate reorganization of the counties or other local government units cannot be provided except through constitutional amendment which will permit the electorate much greater latitude in establishing local government in such form as best satisfies local interests, as for example, the establishment of county manager government, under a small county commission and appointive manager, comparable to city manager government.

OBJECTS OF AMENDMENT

Briefly stated, such constitutional amendment should place in the hands of the legislature the power, subject to local referendum:

To prescribe optional forms of county government, including county manager government.

To transfer functions from the towns to their respective counties, and from the towns and counties to the state.

To zone the state for local government; prescribe optional forms of local government suitable to the several zones; and permit the complete withdrawal of local government from forest areas, where it is incapable of efficient self-maintenance, such forest areas to be administered directly by the state.

To consolidate counties where necessary in the interest of more economical administration of special functions, such as health and welfare.

To provide for city-county consolidations where desirable.

To permit by contract or agreement, the transfer of functions from one unit of local government to another.

Throughout this proposed amendment for reorganization of local government the Commission has sought to preserve the home rule principle. The Commission insists, however, that no material improvement in local government, nor worthwhile economies in its administration can be effective until the constitutional barriers to intelligent legislation respecting local government reorganization are cut away. The state should be free to make such adjustments in local government from time to time as may be necessary to adapt local government to the needs and economic resources of the localities.

PROPOSAL TO ZONE THE STATE

No blanket amendment of statutory provisions respecting any local unit of government can provide satisfactorily for the basic differences in the social and economic life of such units scattered throughout the state. About one-half of the total area of the state lies in highly elevated hilly to mountainous regions which are steadily declining in population and resources. To meet this situation, a plan of zoning for local government is proposed which will define in accordance with basic economic conditions within these areas the forms of government desirable.

It was not the purpose of the Commission to offer a plan of immediate and drastic reorganization of local government, but merely to suggest a new approach to this problem which has now been before the New York legislature for more than ten years. Adequate reorganization of local government is, in any case, contingent upon a constitutional amendment, the procedure of which gives ample time for a more extended study of local government problems along the lines indicated in the Commission's report. The chief ob-

jective of the Commission with respect to local government reorganization is to promote legislative action in preparation for it. Certain readjustments possible without constitutional amendment can, however, be made by the legislature during the present session, and if made as recommended, will prepare the way for the more basic readjustments desirable.

Throughout the state there are many local governments which, because of their favorable social and economic status, and the coöperation of their citizens and public officials, have produced excellent results in providing efficient public service at reduced cost. Many in such situation have been able to make important reductions in their budgets through elimination of waste and the curtailment of over-expanded public services, the reduction of salaries and the consolidation of offices. But the more important wastes of public money and loss of efficiency through faulty organization and unsatisfactory division of responsibilities between local governments and the state have not, and cannot be reached through local action alone.

The Commission does not propose to hinder any local community from providing such governmental services as its people want, nor from maintaining any form of government which meets its own peculiar requirements, provided it is capable of doing so. On the contrary, the Commission seeks merely to make it possible for any such community to do these things with the greatest efficiency and the least possible waste. But it is high time that the people of these strong, self-reliant, resourceful communities of the state appreciated the fact that they are being taxed more and more heavily each year to continue grants of state aid so that many of their neighboring communities can maintain their governmental existence regardless of the most elementary principles of business efficiency and economy. No local government of the state of New York is sufficient unto itself. The greater its own resources, and its own capacity for self-government, the more it is handicapped by its less resourceful and less competent neighbors. The Commission proposes to equalize the tax burdens of local governments throughout the state by equalizing their governmental obligations so that each community may have as much government as it needs at a price it is able to pay, with the least possible draft upon the resources of the state as a whole.

THE PROFESSION OF CITY MANAGEMENT

(Continued from page 117)

tendency during the past depression year for cities to select local men as managers. Of the 81 appointments in 1932, two had been assistant managers, five were former managers, eight were promotions from one city to another and 66 were from outside the profession, presumably most of them local men. However, of the 20 cities and counties in which the plan became effective in 1932, the first manager in 15 of them was an outside man. This, of course, is peculiarly significant at a time when pressure to appoint a local man to such an important municipal office might readily be justified.

These straws in the wind are encouraging. They carry a message of potential municipal achievement in this country that should not be overlooked, either by observers of trends or hard-pressed taxpayers weary of the struggle for economy and efficiency in local government.

California's Labor Camps For Itinerant Unemployed

Successful last year in caring for unemployed at low cost, camps have been renewed in 1933

GEORGE S. ROCHE *University of California*

TODAY, with relief problems pressing on all sides, the labor camps set up by the governor of California last winter and continued this winter, are attracting attention from persons interested in new methods of relief. California's relief agencies were overtaxed in 1931, because of an influx of single unemployed men who drifted westward in search of better conditions and finally ended up in the larger cities of the state. The authorities had to find ways to give relief to the men already in the state, to prevent further demoralization by overcrowding of the labor markets of the several cities, to deter the idle and hungry men from committing petty crimes, and, if possible, to prevent any further aggravation of the situation by incoming men.

The creation of camps to relieve the situation was discussed during the summer by state and local officials, and a few counties opened camps. These, however, were neither numerous nor large enough to reduce materially the pressure on the relief agencies. Finally, toward the middle of November, a few men precipitated action that resulted in the establishment of camps on a large scale by the state. These camps,[1] conducted by the California Labor Camp Committee, eventually numbered twenty-eight, including nine operated by the United States Forest Service. They were open between 12 and 133 days each, and had a combined capacity of 2,752 men. The first opened December 2, and the last to close discontinued operations April 23, after 200,399 man-days' relief had been given to single men at a cost to the state of $109,-982.87, exclusive of the regular salaries of the state and federal rangers who conducted them. No wages were paid the men, who were volunteers recruited from the central charity agencies of the larger cities. There were men in the camps from every state in the Union, but about 29 per cent gave California as their residence. California's policy was new in the type of relief, but it allowed a more extensive development of the camps than otherwise would have been possible.

RELIEF COST LOW

The camps varied in capacity from 15 to 325 men, and gave relief at an average cost of 54.9 cents per man-day. Each was under two or more forest rangers. In the southern California camps the men were housed in tents,

[1]This description is based on S. R. Black's, *Report on the California State Labor Camps, passim,* hereafter cited as *Report.* This paper does not discuss the two highway labor camps which were maintained by the division of highways. There is reason to believe that these camps were not under the control of the Labor Camp Committee. They gave 44,132 man-days' relief at a cost to the state of $99,678.71, or $2.26 per man per day. See, *Report,* 28-33.

except at Camp Kearney, where army barracks were used, and in the central and northern California camps they were housed in wooden buildings. The food served in the camps was about the same as that served in lumber and prison camps in the state, costing an average of 25.4 cents a man per day. Some clothing was distributed, and tobacco was furnished to the men three or four times a week. In exchange, the men worked six hours a day five days a week, weather permitting, and put in 97,664 days of labor in the field in addition to work done around camp. They built fire trails, cleared fire breaks, removed fire hazards, built check dams, and worked on state park improvements.

The camps were opened with much publicity, in which snow, rock piles, and vagrancy laws were prominently mentioned in an effort to discourage itinerants. The establishment of the camps and this publicity have been credited with diminishing the flow of men into the state.[2] This probably strengthened the labor markets and relieved the increasing demands on the relief agencies. Responsible observers are of the opinion that the camps reduced the number of petty crimes committed,[3] both by furnishing hungry and idle men in the cities with food and occupation in the country and by discouraging the entry of "bums" along with other unemployed men.

When the camps closed, each man in them was given $5, in order to prevent a sudden and undue strain upon the local relief agencies by enabling the men to feed themselves for a few days while they moved out of the vicinity of the camps.

The idea of the state camps for itinerant unemployed was developed and carried into operation mainly through the efforts of three men: S. Rexford Black, a representative of the lumber interests of the state, as organized in the California Forest Protective Association; W. B. Rider, deputy state forester, and Rolland A. Vandergrift, director of finance. They discussed a vague plan for camps as early as May, 1931.

After various efforts to get action had failed, the unemployment commission was interested, and the governor, upon its recommendation appointed an advisory committee, consisting of eleven members, but enlarged later to nineteen. The advisory committee met with the governor and others on November 24, to complete, ratify, and make public the plans that had been drafted and had already been approved by the governor and director of finance.

FINANCING THE CAMPS

The financing of the camps was a transaction which throws some light on the operations of the emergency fund. Without it, the governor could have created the camps only if he could have borrowed from bankers on the presumption that the legislature would reimburse them, or called a special session of the legislature to vote funds, obviously a costly procedure.

The emergency fund for the biennium 1931-33, consisted of $1,000,000, and could be drawn upon at will by the director of finance for any lawful purpose.[4] At first the division of forestry supported the camps from what remained of an appropriation of $110,000 for fire trails, fire breaks, and coöperative work for the biennium. On March 12, when this money was almost gone, it was supplemented by $40,000 from the emergency fund, and later by a second grant of $70,000.[5] By inducing

[2] *Report*, 34. The average number of indigent itinerants was 608 per day in October, 373 per day in November, and 251 per day from December 1 to 20, after the opening of the camps.

[3] *Report*, appendix, pp. 45-47.

[4] Stat. 1931: 318.

[5] Department of finance, *Executive Orders*, Nos. 171, 198.

the division of forestry to spend money on the camps it would need later for its regular activities, the director of finance, who alone could replenish the division's funds, put himself in a position to exert pressure on it to conduct the camps as he desired.

ORGANIZATION MACHINERY

The machinery[6] set up by the action of the governor was very complex, directly involving several federal, state and local agencies. There was no merging of personnel or of organizations, but each governmental unit maintained its own identity and hierarchical discipline. The superposition of the special camp organization created a system of coöperating units bound together by peculiar and confusing lines of responsibility. The advisory committee was reorganized as the California Labor Camp Committee, but held only one poorly attended meeting after its reorganization. It was practically superseded by its executive committee, consisting of Mr. Black, the director of finance, the deputy state forester, and the director of public works. Mr. Black, the chairman of the committee, was *de facto* head of the organization, and assumed authority to give orders or make suggestions wherever he felt them needed.

Under this direction, two separate organizations functioned side by side. The United States Forest Service operated nine forest camps and the division of forestry operated nineteen. Each camp was in the charge of from two to five rangers or foresters. The camps were grouped into three districts, southern, central, and north coast, and each district was placed under a forestry official to whom the rangers were responsible, in addition to being responsible to their normal superiors.

Three temporary district purchasing agents supplied the camps with food, in addition to the regular purchasing agents at Sacramento. These men were given credit allowances of several thousand dollars at a time and were allowed to buy as they thought best, for both state and federally operated camps, provided they paid less than current prices paid by the state purchasing agent.

The local relief agencies recruited the men, were supposed to have had them examined medically for health and fitness to work, transported them to the camps, and guaranteed medical care for them if they became ill there. The department of institutions, the California Forest Protective Association, the Red Cross, and some counties furnished first aid and rudimentary medical facilities to each camp. Other equipment was borrowed, so far as was possible, from the army, navy, national guard, and private individuals, in an effort to reduce the capital outlay needed for the camps.

The smooth operation of such a loose organization, marked as it was by no centralized responsibility, would have been impossible without intelligent leadership and the whole-hearted coöperation of the several agencies involved, which a recognition of an unusual need evoked.

CAMPS A SUCCESS

The officials of the state felt that the camps were a success, and since the conditions that led to their establishment still existed, camps were opened again this winter. Aside from some modifications of the methods of financing the camps made necessary by the financial condition of the state, the procedure and organization of the pre-

[6]The division of forestry feels that a new organization was not created and that the governor acted only in strict accordance with legislative enactments. I believe that the governor sufficiently rearranged the organizations involved, in addition to superimposing an entirely new head, to have set up a new administrative unit in fact, if not in law, and I feel that he acted beyond the possible contemplation of the legislature.

ceding year were copied without significant change.[7]

In the establishment of the labor camps we see that the power of the governor to create new governmental agencies has been greatly increased by the emergency fund, that this fund can be managed in such a manner as to enable the governor to retain control over any agency he may set up with its aid. When the existing officials are called in to serve such an agency, of course their coöperation is essential. And while it is within the power of the governor to create an entire organization *de novo,* the need for economy in such undertakings will probably lead him, as much as possible, to use men whose salaries are provided from regular legislative appropriations.

The power to set up new agencies of government remains an emergency power, even should its creations endure to become regular organs of government.

[7]On January 20, 1933, 40 forestry camps with a combined capacity of 5,870 had a population of 4,793. For a detailed account of these, see Department of Natural Resources, *Report to the Governor's Council,* January 31, 1933, pages 2-7, and 12.

SCRAPPING USELESS GOVERNMENTS

(Continued from page 124)

recently by Herbert S. Hicks, of the Illinois Tax Commission. There are now almost ten thousand independent school districts in the state, each governed by a board of its own. The average attendance is under fifteen pupils per school. About four thousand of these schools have fewer than twelve pupils, running down all the way to one. Mr. Hicks proposes that these four thousand schools be closed and their pupils transported at public expense to the next school. He estimates that a saving of approximately 50 per cent can be made in the school tax, with better qualified teachers provided for those remaining open.

It is often said that we have too much government. Whether this be true or not, it certainly is a fact that we have *too many governments.*

Indiana Puts Its Faith in Governor

Legislation just passed confers extensive powers of reorganization upon chief executive

FRANK G. BATES

Indiana University

A FAR reaching and thorough reorganization of the administrative system of the state of Indiana has been inaugurated by the general assembly of 1933 with startling promptness and practically no general popular discussion. The statute effecting this, signed by Governor Paul V. McNutt on Ferbruary 3, 1933, constitutes a portion of the constructive program of legislation undertaken by the incoming administration. The act just passed is not only more comprehensive in its application than any act of its kind hitherto enacted, but it confers upon the governor greater powers of reorganization and future control than have heretofore been conferred upon any state executive.

The "dollar-and-a-half tax law" enacted by the general assembly at its special session in the summer of 1932 fixed the maximum levy on property for all state purposes at fifteen cents on each one hundred dollars. This left a budget which could be balanced only by drastic reductions in governmental costs or by drawing upon new sources of revenue, or by both. The reorganization bill was presented, not only to promote efficiency in government, but as one step in the effort to meet the financial emergency.

MANY INDEPENDENT AGENCIES

The administrative system of Indiana grew up in the fashion followed in other states. Each new service undertaken saw a new and distinct agency created to administer it. Each such agency was constituted irrespective of others and without regard to existing forms or methods. The result has been that the state administrative system is made up of between seventy-five and a hundred legally distinct and independent agencies, exclusive of those local authorities which exercise state functions. This number has been kept larger than otherwise would have been the case by the existence of what has come to be known among social workers as the "Indiana system" of institutional control, whereby each benevolent, charitable and penal institution has been conducted under the management of a separate board of trustees, with a board of charities having only investigative and recommendatory powers over these institutions. A gathering of a number of related activities into a department of conservation in 1919, which proved very successful, is the only considerable development that has taken place in the integration of related functions.

As a result of a process of evolution extending over nearly half a century the state has attained, in some directions, a degree of administrative centralization distinctly in advance of that which obtained in most states prior to 1917. The governor's power of appointment, unlimited by the requirement of senatorial confirmation, has become ex-

tensive, and his removal power, though not coextensive, has been large. The tendency to centralization has been especially noticeable in the field of finance. Here it has shown itself in the prescribing of accounting forms for all public offices, state and local, and in the system of examination of the accounts of all officers. More notably, even, has this tendency shown itself in the setting up of the now widely-known "Indiana plan" of state control of local finance, the claims of which to excellence have been so hotly debated. It is to replace such a disintegrated, though moderately centralized system that the "executive-administrative act" of 1933 was enacted into law.

KEEPING WITHIN THE CONSTITUTION

The new act is carefully phrased to meet the requirements of an antiquated and especially rigid constitution. Under the act there are created eight "executive, including administrative" departments, viz.: executive, state, audit and control, treasury, law, education, public works and commerce and industry. Only the constitutional officers—governor, lieutenant-governor, secretary, auditor, treasurer and superintendent of public instruction are to be elected. The attorney-general, a statutory officer now elected is, at the expiration of the term of the present incumbent, to become appointive by the governor. Save for the officers above mentioned, the tenure of every officer and employee in the executive branch of government is to terminate not later than June 30, 1933, or earlier at the discretion of the governor. With the exception that each of the constitutional officers is authorized to appoint one deputy, the appointment of every officer and employee and his tenure of employment is placed without reserve at the will of the governor. The governor is empowered further, at his discretion, to assign, transfer and reassign any existing power or function of any department or officer to any of the eight departments created.

The governor is made the head of the executive department, but at the head of each of the others is placed a board of which the governor is a member. These boards are constituted as follows: State—secretary of state, governor and lieutenant-governor; Audit and Control—auditor, governor and attorney-general; Treasury—governor, treasurer and one person to be appointed by the governor; Law—attorney-general, governor and auditor; Education—superintendent of public instruction, governor, lieutenant-governor and persons, not exceeding six in number, to be appointed by the governor; Public Works, and Commerce and Industry, each—governor, lieutenant-governor and three persons to be appointed by the governor. The governor, secretary of state, auditor, treasurer, attorney-general and superintendent of public instruction are made the "chief administrative officers" of their respective departments, but in the case of the departments of public works and commerce and industry one of the appointive members is to be designated as the administrative officer. In the cases of these two departments the governor is authorized to increase the membership of the board by the addition of other persons, not to exceed five in number. No details as to the subordinate personnel or the internal organization of the departments are included in the act.

The other sections of the act are concerned with making the transition from the old to the new order without cessation of activity or the disturbance of vested rights.

It will be observed that the benevolent, penal and higher educational institutions of the state fall under the appointing and removing power of the governor, though there seems no obvious place for these institutions in the scheme of the eight departments.

The act presents at once certain striking and novel features. It brings the lieutenant-governor into the administrative picture, though only in a somewhat formal way; this has not been done in other reorganization plans. The substitution of a board instead of a single individual at the head of seven of the departments, though adhering to precedent in Indiana, is not in accord with more recently accepted formulas of administrative organization. The plurality of departmental headship is, however, more apparent than real since there is a designated chief administrative officer in each department who will, without doubt, be the real acting head of the department for all practical purposes, while the ex-officio members, except in the case of the lieutenant-governor, will be fully occupied with the affairs of their own departments.

BOARD SYSTEM TO CONTROL CONSTITUTIONAL OFFICERS

An obstacle encountered in Illinois and in the states that have followed her lead has been the failure, without constitutional modification, to bring the constitutional officers under central control. Here this is accomplished by a set-up under which, except in the department of state, the governor, together with one or more persons appointed and removable by him, constitute a majority of the departmental board and thus may overrule the constitutional officer in such department.

Objection will be offered in some quarters to the sweeping power of appointment and removal vested in the governor. It is, indeed, true that unless tempered by subsequent legislation this power in the hands of a governor so disposed might become a mighty engine of spoils and political plunder. In the absence of a formal merit system, for which there has been no general demand in the state, there has developed in a number of departments, notably in the benevolent, penal and educational institutions, and in the departments of health, charities, library and conservation, a working substitute for a formal system. This has been accomplished by placing at the head of each of these departments a bi-partisan continuing board which appoints the chief administrative officer and the professional, technical and clerical subordinates, and which acts as a buffer between the staff and the pressure exerted by the spoilsmen. So strong has been the sentiment that these, and at times other departments, should be "kept out of politics" that such pressure has been successful with surprising infrequency. It is to be regretted if under the new order there is not inaugurated some sort of personnel system to continue and perhaps extend the gains thus made toward security of administrative tenure.

RAPID-FIRE ACTION

Judged by the experience of other states it seems likely that the results of bringing into as few as eight departments the multifarious activities of the state will not be entirely satisfactory, and that it will be found desirable in the near future to increase the number of departments somewhat.

It is probable that the net effect of the statute will be not essentially different from that brought about in other states by other methods. It has been customary to delegate to a commission or other agency the task of formulating, after preliminary surveys, a somewhat detailed scheme of reorganization which is presented to the legislature for action. In this case the legislature has in advance approved the plan in general outline and left the details to be worked out by the governor by such a process as he may see fit, and put in operation by administrative ordinance.

The course of action thus followed, though unconventional, is probably no

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Conflicting Taxation: A National Problem

Interstate Legislative Assembly establishes permanent commission to work out reconciliation and simplification of tax system

HUBERT R. GALLAGHER — *American Legislators' Association*

WILL the well run dry? Many persons are apprehensive lest the sources of our government's revenues will not stand the strain of the depression. Others are concerned with seepage due to the inefficiency of our tax administrators. With the federal government dipping more and more frequently into the tax reservoir of the states, and with forty-eight legislatures searching for new ways to balance their budgets, problems of conflicting, overlapping, and duplicating taxes and tax machinery are more than irritating—they present a serious national problem.

A step in the direction of improving this situation was taken at the first Interstate Legislative Assembly in Washington, February 3 and 4. Delegates from thirty-one states and representatives of thirty-four governors, the latter conferring in an advisory capacity, attended this meeting which was called by the American Legislators' Association to consider the advisability of establishing a commission to study the problem of conflicting taxation between the states and the federal government and to negotiate with Congress on this subject.

President-elect Roosevelt, who as governor of New York State assumed the leadership in securing the attendance of representatives from governors at the Assembly, pointed out in a letter to Senator Henry W. Toll, director of the American Legislators' Association, that:

"In the past the federal government has passed revenue legislation with too little consideration for state taxing systems, and on the other hand, the states have legislated with little reference to the federal revenue plan and with almost no consideration for the tax programs of other states. This is not as it should be. . . . "

The President gave the cause an additional "boost" when he gave it first place in the five-point program to be considered by the governor's conference which he has called for March 6.

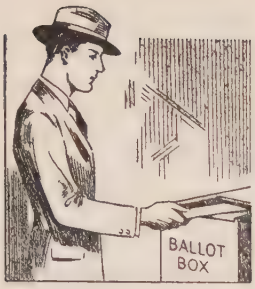
MANY PUZZLING PROBLEMS

The first session of the Assembly, after being greeted by President Hoover, who declared that there is "now a perfect maze of overlapping, conflicting tax systems," was given over to formal addresses stating the problems to be considered.

Henry F. Long, Massachusetts commissioner of corporations and taxation, pointed out that the proper segregation of tax sources was an especially difficult problem for the states to solve because "the word 'state' in speaking of taxation comprehends not only the state itself but also political subdivisions. The federal government has but one pocket to fill. The states have many."

Clyde L. King, former secretary of revenue and finance of Pennsylvania, but now chairman of its public service commission, told the Assembly that,

(Continued on page 154)



PROPORTIONAL REPRESENTATION

EDITED BY GEORGE H. HALLETT, JR.

Continuing the Proportional Representation Review

The National Elections in Ireland.—The experience of the Irish Free State continues to belie the theory that proportional representation is sure to result in a disintegration of major parties and the establishment of what is known as the bloc system. The Free State is the one nation which has the freest form of P. R.—the same as that used for city council elections in Cincinnati and now being urged for New York, Philadelphia, and Pittsburgh—for all its elections. Yet for the last three elections of the Dail Eireann it has approached a two-party system and in the election of January 24, 1933, gave the largest party a majority of one over all other parties combined.

Irish experience, like the experience of Cincinnati with two municipal parties, lends strength to the contention that most people prefer to ally themselves with a large and effective party and will do so with enthusiasm so long as there is a major party which meets their needs and wishes. The very fact that the voters can turn away at any time without throwing away their votes tends to keep the major parties responsive to public desires and so gives them a genuine instead of a grudging choice-of-evils support.

In this election Mr. De Valera's Fianna Fail party won 77 of the 153 seats in the Dail and Mr. Cosgrave's Cumann na nGaedheal 48. Eight went to the Labour party, 11 to the Centre (farmers') party, and 9 to independents.

The *Irish Times,* Dublin, of January 30, contained the following account of the part played by proportional representation, written by a special correspondent:

"The present election furnishes new illustrations of the freedom that the system confers upon the electors. Appeals were made to the voters to support first of all the party nominees. The electors, free to do as they wished, generally did so. In the city of Cork, however, over 3,000 out of the 14,863 voters who gave a first choice to Mr. Cosgrave, gave a second choice to Mr. Anthony, the Independent Labour candidate. Similarly, in County Clare, over 3,000 out of the 18,584 voters who gave a first choice to Mr. De Valera, gave their second choice to Mr. Hogan, the Labour candidate. Other interesting examples of inter-party voting could be given. . .

FULL REPRESENTATION

"Every county and borough in the Irish Free State has returned to the Dail representatives of the majority, and also a representative of at least one important minority. No single party monopolizes representation. In England, on the other hand, in thirty-one out of the forty counties, the minority, often polling more than a third of the votes, failed at the last election to secure any representation. In the Free State nearly every elector is conscious that one or more of his earlier choices have been elected. In County Dublin, 74,559 out of 90,452 voters saw their first choice elected; many of these and many of the remaining 15,893 voters saw their second choice elected; many saw their third choice elected. Few, indeed, failed to secure any share in the representation.

"It is instructive to compare the completeness of representation in the Irish Free State

with the incompleteness of representation in England. In 1925, the general election gave, for the eleven southern counties of England, the following result:

Parties	Votes	Seats Obtained
Conservative	1,500,000	84
Liberal and Labour	950,000	1

"In England nearly a million of electors secured one spokesman in Parliament. In the Irish Free State, in the four western counties of Kerry, Limerick, Clare and Galway, the Fianna Fail party has a large majority.

"In this election the proportional system gave the following result:

Parties	First Preferences	Seats Obtained
Finanna Fail and Labour	167,560	19
Cumann na nGaedheal and Centre	82,925	8

"Without proportional representation the result would have been as in so many counties in England—the minorities would have failed to secure any representation.

FAIR SYSTEM

"The election results, constituency by constituency, and for the nation as a whole, show how fair is the representation which the proportional system allots. Each quota of votes gained a seat. In Dublin City North, for example, Fianna Fail polled four quotas, with some votes over, and gained four seats; the Cumann na nGaedheal party, with the Independent, also polled four quotas, with some votes over, and gained four seats.

"The votes polled and the seats gained over the whole country were as follows:

Parties	Votes	Seats	Votes Per Seat
Fianna Fail and Labour	771,059	85	9,071
Cumann na nGaedheal, Centre and Independents	615,310	68	9,049

"In the foregoing table the votes for Mr. Larkin (Independent Labour) are included with the Fianna Fail party, as most of his votes, when transferred, fell to Fianna Fail candidates. The votes per seat, a little more than 9,000 for each member of the two groups, shows how closely representation in the Dail will reflect voting strength in the country.

"If the university seats and the seat of the speaker, who was elected unopposed, are excluded from the above totals, the figures for the whole country, counties and boroughs, would be:

Parties	Votes	Seats	Votes Per Seat
Fianna Fail and Labour	768,980	82	9,378
Cumann na nGaedheal, Centre and Independents	613,618	64	9,588

"This close approximation to the fairest possible representation for all can be compared with the result of the last election in Great Britain, when each elected supporter of the National Government was elected, on an average, by 29,000 voters, whereas a member of the Labour party represents, on an average, 144,000 voters, or five times as many.

FEW INVALID VOTES

"Whilst the polling was very heavy, in several counties exceeding 80 per cent, the percentage of invalid papers was less than ever before. In many constituencies the number of papers spoiled is considerably less than 1 per cent. In the scattered constituency of Kerry, it is reported that less than 400 papers were spoiled out of a total poll of nearly 68,000; in Dublin City North, there were 507 papers spoiled out of a total poll of 79,314. In Donegal the number spoiled is a little more than 1 per cent. This election has demonstrated once more to the world that voting under a free system of proportional representation presents no real difficulties to the electors."

John H. Humphreys, secretary of the Proportional Representation Society of Great Britain, confirms this summary and adds from his personal observation of the election campaign, the polling and the counting of the votes:

"All the meetings that I attended—some very large—were orderly, the electors listening with interest. Incidents of violence were quite exceptional. . . Men and women voted with the same ease as in an English election. The number of invalid papers for the whole state was just 1 per cent. . .

"The parties in this election formed two

groups—anti-Treaty (De Valera and Labour) and pro-Treaty (Cosgrave, Centre, and Independents). Each of the allied parties within a group was able to nominate its own candidates in as many constituencies as it wished; the transferable vote enabled the allied parties to cooperate freely within each constituency and prevented losses through the splitting of votes. Independents also stood. There was freedom for parties and candidates; there was opportunity for electors to choose . . .

"The new Dail is representative not only in numbers but also in personnel. The leaders of parties and, with but one or two exceptions, their principal colleagues, have all been elected.

"The Ullswater Conference appointed by Mr. MacDonald's Government in 1930, resolved, by a majority, that any electoral reform in Great Britain should include proportional representation. Irish experience justifies this view."

NEW YORK ELECTION FIGURES

Active agitation for a new proportional representation charter for New York City continues under the inspiration of Judge Samuel Seabury, though the chances of securing legislation for a vote on the question from the present session of the New York legislature do not seem bright.

Reference has often been made in recent months to the recommendation of P. R. for the Board of Aldermen by the New York charter commission of 1923. That recommendation was preceded by the submission to the commission of a memorandum urging P. R. signed by a number of prominent citizens including Judge Seabury himself. The memorandum contained tables of figures, dating back to the consolidation of the city in 1899, to demonstrate the shortcomings of the existing method of election. These tables have now been brought up to date and those for recent elections are set forth below. They show that the case against the present system is even more conclusive than it was in 1922.

AN ANALYSIS OF ALDERMANIC ELECTIONS
1923-1931

(For an analysis of elections from 1899 to 1921 see the Proportional Representation Reviews for October 1922)

WASTED VOTES

The votes cast for unsuccessful candidates in each aldermanic district are wasted. They obtain no representation and have no more effect on the result than if they had never been cast. Since the consolidation of the city (1899) the number of votes thus wasted has been from 35 to 50% in every election.

Year	Dem.	Rep.	Soc.	Others	Total Wasted	Total Vote	Percentage Wasted
1923	57,533	265,706	74,300	1,569	399,108	977,137	40.8%+
1925	24,708	341,467	47,095	1,706	414,976	1,117,028	37.2%—
1927	63,472	282,196	51,629	4,690	401,987	1,092,536	36.8%—
1929	21,315	402,070	77,962	4,422	505,769	1,353,720	37.4%—
1931	7,002	328,674	110,254	8,774	454,704	1,309,294	34.7%+

DISPROPORTIONATE REPRESENTATION

The representation secured by the different parties often bears little relation to their actual voting strength. The following table compares the actual outcome of each aldermanic election since 1923, with a fair division of the members, based on the proportions of the total vote cast by the different parties.

Party	Votes Cast	Seats in Proportion to Votes Cast	Seats Won	Percentage of Votes Cast	Percentage of Seats Won
		1923			
Democratic	562,904	37.4+	56	57.6%+	86.2%—
Republican	332,316	22.1+	8	34.0%+	12.3%+
Socialist	74,300	4.9+	0	7.6%+	0. %
Fusion[1]	6,048	.4+	1	.6%+	1.5%+
Others	1,569	.1+	0	.2%—	0. %
Totals	977,137	65.	65	100.0%	100.0%

[1]Candidates endorsed by both Democratic and Republican parties.

		1925			
Democratic	688,447	40.0+	61	61.6%+	93.8%+
Republican	372,859	21.7—	3	33.4%—	4.6%+
Socialist	47,095	2.7+	0	4.2%+	0. %
Fusion[1]	6,921	.4+	1	.6%+	1.5%+
Others	1,706	.1—	0	.2%—	0. %
Totals	1,117,028	65	65	100.0%	100.0%
		1927			
Democratic	684,137	40.7+	58	62.6%+	89.2%+
Republican	352,080	20.9+	7	32.2%+	10.8%—
Socialist	51,629	3.1—	0	4.7%+	0. %
Others	4,690	.3—	0	.4%+	0. %
Totals	1,092,536	65	65	100.0%	100.0%
		1929			
Democratic	842,686	40.5—	61	62.2%—	93.8%+
Republican[2]	428,650	20.6—	4	31.7%—	6.2%—
Socialist	77,962	3.7+	0	5.8%—	0. %
Others	4,422	.2+	0	.3%+	0. %
Totals	1,353,720	65	65	100.0%	100.0%
		1931			
Democratic	851,216	42.3—	64	65.0%+	98.5%—
Republican	339,050	16.8+	1	25.9%—	1.5%+
Socialist	110,254	5.5—	0	8.4%+	0. %
Others	8,774	.4+	0	.7%—	0. %
Totals	1,309,294	65	65	100.0%	100.0%

UNEQUAL VOTING POWER

Under an equitable system of election the votes of different parties would be sure to have approximately equal weight in electing aldermen. The table below shows how different the actual results have been. In the last five aldermanic elections Democratic votes have been worth from four to twenty-five times as much as Republican votes.

VOTES PER MEMBER ELECTED

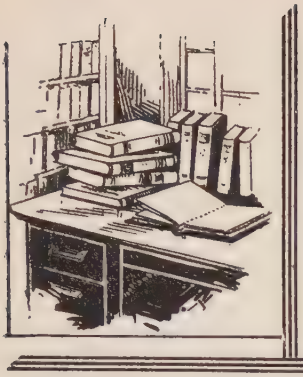
	Democratic	Republican	Socialist	Other Parties
1923	10,052	41,539	74,300[3]	6,048 Fusion[1]
1925	11,286	124,286	47,095[3]	6,921 Fusion[1]
1927	11,795	50,297	51,629[3]	
1929	13,814	107,162	77,962[3]	
1931	13,300	339,050	110,254[3]	

MINORITY CONTROL

It has frequently happened (see figures for 1899 to 1921) that a majority of the board has been elected by a party without a majority of the votes. But even when the controlling party had a majority of the votes, as shown for the years 1923 to 1931, it did not need its majority to control the board. In those years a majority of the board was elected for the controlling (Democratic) party by 24% or less of the total vote each time.

	Democratic Votes Which Elected a Majority	Total Vote of all Parties	Percentage of Total Vote Electing Majority	Democratic Votes Which Elected a Majority	Republican Votes Which Elected No One
1923	230,082	977,137	23.5%+	230,082	265,706
1925	241,779	1,117,028	21.6%+	241,779	341,467
1927	234,832	1,092,536	21.5%—	234,832	282,196
1929	265,605	1,353,720	19.6%+	265,605	402,070
1931	276,334	1,309,294	21.1%+	276,334	328,674

[2]A number of Republican candidates were endorsed also by the Square Deal Party.
[3]Elected no one.



RECENT BOOKS REVIEWED

EDITED BY EDNA TRULL — *Municipal Administration Service*

Community Health Organization, A Manual of Administration and Procedure for Cities of 100,000 with Suggested Modifications for Larger and Smaller Units.— Edited by Ira V. Hiscock. New York, Commonwealth Fund, 1932. 275 pp. $2.50.

As stated in its foreword, this volume is sponsored by the committee on administrative practice of the American Public Health Association and reflects the judgment of that committee after twelve years of study of the scope and content of desirable municipal health services. It covers briefly but on the whole, adequately, the essential activities of municipal health organizations. And it will be found of real value as a guide to students and citizens generally in interpreting many of the vexing problems of community health organization, aims and relations.

Although this summary discussion of the elements and aims of community health planning, organization, technique, practice and financing is supported by ample references to the special reports of the committee which sponsors the volume, and to other official and unofficial reports, the value of the work as a student text would, in the reviewer's opinion, have been greatly enhanced by a well chosen bibliography. The footnote references supporting the text have been carefully selected, but on certain moot questions of community health organization which concern primarily official health services, more references and more pertinent ones might well have been offered. The extremely important issues of areas of administration for health and other related governmental activities, and the place of the city and county in this new planning for health administration, have scarcely been touched upon. The reviewer feels that this failure to link up community health organization with the economic and social interests of the public within the areas to be served is a fair criticism of the work of the committee on administrative practice of the American Public Health Association, and of the editorial viewpoint expressed in this volume. In the light of recent studies in this field of health economics, it appears more than probable that the most significant gains in public health efficiency to be made in the next decade will be the result of a readjustment of areas of health jurisdiction to meet the conditions which modern community life compels. The brief discussion of community health units and their relation to government in general merely touches upon problems of administration and finance now pressing for solution in many states, but for which no satisfactory solution can be found except by readjustment of health administration to more satisfactory service areas and population groups.

An interesting feature of the book is its discussion of "financial aspects of community health work," wherein is summarized for the entire community organization the salary and maintenance cost of each of its various special functions: administration, vital statistics, communicable disease control, child hygiene, inspection of milk, food and drugs, and sanitation, laboratory service, public health nursing, communicable disease hospitals. Dr. Hiscock's estimates of cost which are based largely upon the standards approved by the committee on administrative practice of the American Public Health Association represent rather an ideal than a practical working basis of financing community health organization under present conditions. It is

assumed that the public health service of the community represented by this estimated budget is one in which all service elements are thoroughly coördinated and under skilled official direction and control. Such a service, he considers, can be provided in the given community at a per capita cost from $1.97 to $2.37. If nursing service for example, is provided by an unofficial visiting nurse agency, the health department budget would of course be reduced accordingly. Compared with what cities generally are now spending, even cities of 100,000 or more, these figures seem extravagant. They are not, of course, under present conditions, but they are certainly much higher than a majority of our communities will accept. The greater efficiency which Dr. Hiscock and all other public health workers desire, will not, in the reviewer's opinion, be most economically maintained merely by increasing health expenditure, but rather by so readjusting the areas of health jurisdiction and relations of the health organization with other important services of government that uneconomic expenditure will be minimized.

The use of per capita costs as a guide to public health administration is subject to many limitations. Per capita costs are valuable for the comparison of health units which are reasonably comparable in area, topography, distribution of population, character and composition of population, economic resources and all other factors which determine public health need and administrative responsibility, but it is obviously misleading to use a per capita figure as an indication of need without full information regarding the community to which the per capita figure is presumed to apply. Per capita cost reflects numbers of people only; it suggests nothing of the distribution of population, whether highly concentrated in the relatively restricted area of a city, or distributed over several hundred square miles of rural area. It gives no clue to facilities for transportation and communication or to the character and composition of the population which may be of basic importance in determining official responsibility. It recognizes no differences between communities with respect to their ability to support official or unofficial health services. In short, per capita cost ought never to be used as a measure of the amount of public health service required for any given population unit, unless all the pertinent facts about that unit have been carefully appraised.

Public health workers generally have accepted, without analysis, the dictum that "public health is purchasable; within natural limitations any community can determine its own death rate." In a narrow sense this is perhaps true, but in this slogan, there is no recognition of the fact that there is any condition to be met except that of financial resources. No amount of spending will purchase health for any community, unless public health service is so organized and directed that its expenditure will be productive in health. It has been shown conclusively by many special studies of the relation of governmental costs to the efficiency of service that liberal spending is not in itself a guarantee of efficient public service.[1] This is as true for public health administration as for all other functions of government.

The question of how much a given unit of population should spend for health can be stated accurately only after a survey of its peculiar requirements has been made and a health organization set up which is designed to meet those requirements economically and efficiently. It is true, as Dr. Hiscock points out, that "health expenditures are obviously considerably out of proportion when compared with other municipal expenditures," but it is fair to ask: With what other municipal expenditures can public health expenditures be compared? Public health service is *sui generis* and comparable, therefore, neither in function nor expenditure requirement with any other governmental activity. In the reviewer's opinion, it is highly desirable that public health workers abandon the per capita cost argument in behalf of better health service and devote themselves rather to a solution of the more fundamental questions of what is really necessary to determine how much health service a community requires, and how that requirement is to be met most satisfactorily in view of the communities' social and economic resources.

The questions of the relation of voluntary health agencies to the official health depart-

[1] *Municipal Expenditures*, Mabel L. Walker, Ph.D. Baltimore, Johns Hopkins Press, 1930.
Report of Commission of Housing and Regional Planning to Governor Alfred E. Smith and to the Legislature of the State of New York on *Cost of Government, Land Value and Population*, 1926.

ment, and the relation also of public health and public welfare services, although of basic importance, are dealt with by Dr. Hiscock somewhat too casually. He relies for his community health program mainly upon the general principles enunciated by the White House conference committee on public health organization. It is realized that the relations of official and voluntary health service in a given community must be determined largely in accordance with local conditions and needs, but the advice offered on community health organization would have much greater force if specific illustrations of coördinated effort were offered. For example, Dr. Hiscock says: "It is unfortunate that greater strides have not been made in the amalgamation of nursing services in rural areas where such amalgamation is primarily logical and desirable." There are a number of such rural areas in which such amalgamations of nursing services are now functioning, and it would have been very helpful to other communities if Dr. Hiscock had discussed such services more fully and cited the necessary references.

With respect to the relations of health and welfare agencies, the book falls considerably short of adequate discussion. How these two groups of governmental agencies can be satisfactorily coördinated in administration without subordinating one to the other or over-emphasizing one at the expense of the other, is a question of interest to every student of government. It deserves also the special attention of experts in these two fields. Whether or not health authorities and welfare authorities are inclined to admit the desirability of integration of these public services, legislators as well as citizens generally are beginning to be aware that there is a great deal of lost motion in dealing with the problems of medical service where sickness prevention and sickness relief are not properly integrated in the governmental program. Commissioner Adie, of the social welfare department of New York State, estimates that in fully 25 per cent of the cases with which his department is concerned in state and local governments, there is both a health problem and a social welfare problem on which health and welfare authorities must meet for coördinated effort.

But after all, the omissions here commented upon discount but slightly the general merit of the book as a whole. They are no doubt due in part to the editor's attempt to cover in 250 printed pages a subject of such wide scope and many phases.

We recommend the book as an excellent introduction to the subject of community health organization and trust that it will have a wide reading.

C. E. McCombs.

Institute of Public Administration.

Report on a Survey of the Organization and Administration of State and County Government in Mississippi.—By Institute for Government Research of the Brookings Institution. The Research Commission of the State of Mississippi, Jackson, Mississippi. 1932. 971 pp. $2.50.

This survey covers the administrative structure of state and county governments, with special emphasis on taxation and financial administration. Only incidentally is judicial administration considered, a separate study of that subject being recommended.

The report pronounces the general property tax, as it operates in Mississippi, "a dismal failure." It recommends the centralization of tax administration in a state department of taxation, which would appoint, on the basis of merit, and effectively supervise the county assessors. It proposes a scientific basis of assessment, fewer exemptions to corporations, substitution of income taxes for those on intangibles, installment paying of taxes, elimination of numerous special taxing districts, and effective budget control for state and county governments. Income, inheritance, and business taxes are also considered and approved as a part of a permanent revenue system.

It is recommended that the eighty or more state agencies be reduced by appropriate consolidations to twelve departments—executive, taxation, treasury, justice, education, health, welfare, highways, conservation, banking and insurance, public service, and local government. The governor, as head of the executive department, would appoint a commissioner for each of the other departments, except education, health, welfare, public service, and perhaps local government, which would have a board. In addition, the legislature would select an auditor of public accounts.

Concerning local government, the report

suggests the abolition of various special districts, seventeen consolidations affecting half of the eighty-two counties, and county cooperation for certain activities. It also advocates the reorganization, coördination, and integration of county offices and functions; abolition of fee system; and thorough state supervision, through the department or commission of local government (or other appropriate department), over each local governmental activity.

Though in many respects a comprehensive survey, this 971 page reports shows scant evidence of field work. Too little attention is given to present methods of administration; too much to statutory provisions, many of which are obsolete and ignored in practice. Too many pages are devoted to direct quotations concerning other states. It is sometimes difficult to remember that this is a survey of Mississippi. Despite these shortcomings, the report contains much valuable information.

Wm. L. Bradshaw.

University of Missouri.

University Training for the National Service, Proceedings of a Conference held at University of Minnesota, Minneapolis.— University of Minnesota Press, 1932, 325 pp.

The report of this conference on University Training for the National Service is the first careful analysis of the opportunities offered in the national government for university graduates. The representatives of the United States civil service commission, of the administrative departments and of the universities, discussed with frankness the opportunities offered and the limitations under which the universities suffer in supplying men for government service. The special attention of the conference was devoted to the use of the university as a training center for the fields of agriculture, forestry, law, the consular and diplomatic service, physics, chemistry, engineering, social welfare, economics and statistics.

Although this report is a series of papers on more or less related subjects, the conference was so carefully set up that the report does not suffer in the least from this possible limitation. It is clear from the report that the university men have much to learn from the public administrators as to the growth and technical character of the public service. It was made obvious that the universities have an opportunity and a challenge in the training of men and women who desire to enter the public service. The conference was set up with a general statement of the opportunities in the public service for university men. This was followed by a series of papers in which the public administrator outlined the personnel problem of his department and the university man indicated the training provided by the university. It must be said in this connection that the universities have lagged behind both in an appreciation of the problem and in a program of training. This conference rendered a great service in bringing together these two groups and the report is a contribution in the field of training for public service. A companion volume for state governments would be desirable.

F. G. Crawford.

Syracuse University.

City Manager Yearbook, 1933.— Chicago International City Managers' Association, 1933. 356 pp. $2.

The yearbook, edited by Clarence E. Ridley and Orin F. Nolting, has four sections, at least three of which are of genuine interest to anyone interested in municipal government. The section on municipal administration in 1932 offers a résumé of the especially significant events and developments in the several fields of municipal government. Brief articles on financial planning, budgeting, revenues, taxation and assessments, accounting, purchasing, personnel, administrative organization, court decisions, city planning and zoning, housing, recreation, welfare, education, health, police and fire administration, public works, utilities, council-manager government and county management, are all contributed by the outstanding specialists in those fields. The bulk of the volume is devoted to the proceedings of the 1932 city manager convention, at which attention was given to numerous problems of administration with some emphasis on retrenchment, police and other special aspects of city management. The up-to-date directories of manager cities are invaluable for reference purposes. The section on the business of the International City Managers' Association includes several items of general significance as well as the financial reports and routine information.

NOTES AND EVENTS

Constitutional Convention Proposed in Washington.—All efforts to hold a constitutional convention in Washington have run up against an insurmountable object in the peculiar requirement of the present constitution that "a majority of all those voting *at the election*" shall vote for the holding of such a convention. This phraseology differs from that regarding ordinary amendments which include the usual phrase regarding approval by "a majority of electors voting *thereon*." In the history of the state, no constitutional amendment has carried by a majority of those voting *at the election*.

To pave the way for a constitutional convention, a committee of the Municipal League of Seattle has drafted a proposed amendment which would provide for the calling of a constitutional convention every twenty-five years.

JOSEPH P. HARRIS.

New York League of Women Voters Urges Manager Plan.—In the January issue of the NATIONAL MUNICIPAL REVIEW it was pointed out that none of the numerous plans presented for revision of the New York City charter provided for the manager plan. While this is true in the sense that no proposal for the manager plan will be considered by the legislature it should be pointed out that the New York League of Women Voters in its charter revision recommendations did urge the joint legislative committee to consider the city manager plan. Mrs. F. Steven McCarthy, speaking for the New York League, made four major recommendations: 1. a simplified charter setting up the city manager plan with proportional representation and non-partisan municipal elections; 2. consolidation of county government and reorganization of its present administrative departments; 3. reorganization of personnel methods; and 4. an improved fiscal system.

"Of course, we in the League of Women Voters realize," Mrs. F. Louis Slade, vice-chairman of the New York League of Women Voters points out, "that there would be no chance of the manager plan functioning satisfactorily unless a representative legislative body could be obtained. For that reason we are staunchly urging proportional representation. We have sufficient faith in the integrity and intelligence of the citizens of New York City to believe that, given the opportunity and the leadership, we would be able to have the same type of splendid city manager government here that Cincinnati and other cities have had for the past few years."

Seek Unit Costs of Public Works.— The Committee on Uniform Street and Sanitation Records has just mailed to approximately one thousand cities four annual return forms for the purpose of collecting information concerning the expenditures of public works departments and the methods employed, work accomplished, and unit costs for refuse collection, refuse disposal, street cleaning, and catch basin cleaning.

In the past, officials have not known where to turn for accurate information about such matters. The tabulations of these returns will show, for example, whether garbage, ashes, or rubbish are collected by city forces or under contract and the frequency of collection. They will reveal the number of tons collected of each kind of refuse during the year and the pounds per inhabitant per year. They will show the total and unit costs of collection. Other pertinent information relates to the methods and equipment employed, special charges for refuse collections, whether all

refuse is weighed, and how dead animals are handled.

With respect to refuse disposal, the tabulations will indicate what disposal methods are in use in cities and the tons of refuse disposed under each method. The costs of operating, maintaining, and supervising each kind of disposal method as well as the total and net cost of disposal per ton will be available.

The annual return of street cleaning work and costs will tell how many miles of streets cities clean daily, six times a week, five times a week, etc., by each method. Similar data will be obtained for catch basin cleaning both by hand and machine methods.

The Ministry of Health of England has collected similar return forms of cleansing costs from all cities in England and Wales for several years. During this time, the refuse collection and street cleaning costs have been steadily reduced. J. C. Dawes, the inspector of cleansing of the Ministry of Health, estimates that over three million dollars is being saved annually in comparison to costs of ten years ago, which can be credited almost entirely to the installation of adequate cost accounting systems throughout British cities, and the collection and publication of annual return forms. The Committee on Uniform Street and Sanitation Records anticipates a corresponding saving in the United States from the collection of annual return forms because they will establish certain standards of performance and point the way toward more economical and satisfactory methods.

The information collected on these return forms will not be published for individual cities. Rather, the committee has agreed that this undertaking is to be a confidential matter between the various officials concerned. Individual cities, however, may obtain information concerning the work and costs of other cities having the same general problems and conditions, on agreement that no publicity will be given to the figures. However, summaries of the tabulations of groups of cities of similar size and conditions will be prepared and published.

The Commitee on Uniform Street and Sanitation Records represents eleven nation-wide organizations of public officials and governmental research agencies, including the International Association of Public Works Officials, the International City Managers' Association, the American Municipal Association (federation of state leagues of municipalities), the American Society of Municipal Engineers, the American Road Builders' Association, the Municipal Finance Officers' Association, the American Society of Civil Engineers, the National Municipal League, the American Public Health Association, and the Governmental Research Association. Alfred E. Roche, commissioner of public works of Troy, New York, is chairman of the committee, and William J. Galligan, assistant superintendent of streets, Chicago, is vice-chairman.

The Committee on Uniform Street and Sanitation Records expects that the collection of these return forms will stimulate improvement in the records and accounting systems of public works departments. The committee has found that large savings have resulted wherever its proposals have been installed. Manuals describing these practices can be obtained by writing to the committee at 923 East 60th Street, Chicago. The staff of the committee is also prepared to assist cities directly in making installations.

—Donald C. Stone.

Lucas County, Ohio, Appoints Finance Director.— On January 1, 1933, the county commissioners-elect of Lucas County, Toledo, Ohio, appointed H. T. Shenefield, former secretary of the Commission of Publicity and Efficiency of the city of Toledo, to the newly created position of director of finance and purchasing. This is the first appointment of its kind in the field of county government and administration in Ohio in the history of the state.

Generally speaking, the creation of this position, filled by a governmental expert, is actually a pseudo-county manager appointment. Through control of the purse strings of the county, the county commissioners will be able to exercise a direct control and check on all county offices and it will be possible to effect various reforms now in contemplation, such as standardized and centralized purchasing, standardized personnel classification of positions and salaries, as well as conduct extended surveys of the various county offices with a view to promote greater efficiency and apply modern methods of service.

This recent development in county government in Lucas County is the most radical

change in recent years in the government of any county in this state.

G. BURMAN CURRY.

City Manager Bills in Pennsylvania Legislature.—Among the measures introduced in the Pennsylvania house of representatives this week were two bills to make the city manager plan of government optional by popular vote for third-class cities and boroughs and a bill to make the proportional representation method of electing councils, which is recommended with the manager plan in the Model City Charter of the National Municipal League, optional for third-class cities. The two bills were introduced by Representative Charles H. DeFrehn of Johnstown and the optional borough manager bill by Representative John L. Holmes of Centre County.

These bills, together with an optional proportional representation bill for boroughs which is expected to go in next week, complete the legislative program of the Municipal Charter Committee of Pennsylvania, which has the backing of fourteen important state-wide organizations. The other bills on the program are the Pittsburgh optional city manager bills introduced by Senator Frank J. Harris and Representative John J. Kane and the Philadelphia optional city manager bill introduced by Senator George Woodward. These bills are backed by strong local committees.

All the bills are optional. The question of adoption can be put on the ballot at any general or municipal election by petition or resolution of council. In the third-class city and borough bills the number of signatures required for a petition is 2 per cent of the population of the municipality according to the last United States census. If the experience with either manager plan or proportional representation is unsatisfactory it can be abandoned by the same procedure.

The manager bills provide that after adoption by the voters the council shall employ a manager "solely on the basis of his executive and administrative qualifications." The manager appoints all other administrative officers (with a very few permissive exceptions) and is responsible to the council for the entire administration just as the manager of a business is responsible to the board of directors. He may be removed by council at any time. The mayor or burgess continues to be the recognized head of the municipality for political and ceremonial purposes, but neither he nor any member of the council has any administrative duties except that the burgess retains control of the borough police.

The whole program of the Municipal Charter Committee has the active backing of a formidable array of state-wide organizations, including the Pennsylvania Taxpayers' Association, the Pennsylvania Federation of Labor, the Pennsylvania Farm Bureau Federation, the Pennsylvania Real Estate Association, the Pennsylvania State Education Association, the Women's Legislative Council of Pennsylvania, the State Federation of Pennsylvania Women, the Pennsylvania League of Women Voters, the Pennsylvania Council of Republican Women, the Republican Women of Pennsylvania, and the Pennsylvania Federation of Democratic Women. The borough bills are endorsed by the Pennsylvania State Association of Boroughs. Optional manager legislation has been approved by the Pennsylvania State Chamber of Commerce, which has also referred optional proportional representation to a committee for study.

In addition the bills are supported by important local organizations in Philadelphia, Pittsburgh, Johnstown, Altoona, Beaver Falls, Butler, Hazleton, Jeannette, Lock Haven, Mt. Carmel, Oil City, Pittston, Tyrone, Washington, Wilkinsburg and elsewhere.

—GEORGE H. HALLETT, JR.

State Reorganization in Texas Uncertain.—Based on the intelligent policy of formulating feasible plans for fundamental improvements giving promise for permanent economies rather than making arbitrary slashes in either vital or so-called non-essential services, the state reorganization proposals of the joint legislative committee on organization and economy have disappointed some of the most valuable advocates of drastic tax reduction. The complete report of the committee has just been issued and although portions of it have been out for some time, not much educational publicity has been created and the proposals have not received a great amount of attention.

The plan is not a fundamental remodeling of the government and its services but directs its effort to eliminating inefficiences, duplications and overlapping services without calling

for a drastic reconstruction. It is assumed to be mainly the work of Griffenhagen and Associates, the experts for the committee. It provides for 19 administrative departments under the governor, in place of the present 131 uncoördinated units. Groundwork for the committee's activities has been laid in the last few years by Moore Lynn, the state auditor and efficiency expert under Governor Sterling's administration, who pointed out various ways in which public money was being dissipated. One recommendation of the report, the substitution of a state purchasing agent under the governor in place of the board of control, is thought to have an excellent chance of acceptance by the newly installed Ferguson administration but the rest of the plan is not so likely of adoption. The long-continued agitation for a constitutional convention in Texas appears to have a chance of producing such a gathering in 1935 with the prospect thereby of achieving a more complete state reorganization.

—H. M. Olmsted.

Achievements in Binghamton.—Binghamton, New York, which with the close of 1932 concluded its first year under a council manager government, has shown a notable improvement in its finances.

The expenditures for all municipal purposes were $302,912 less than the budget appropriations, this figure being exclusive of salary reductions and donations. Bonded debt was reduced $580,237, and while short-term notes maturing in 1933 to 1935 were issued, chiefly for relief purposes, in the amount of $394,142, the net reduction in outstanding city obligations was $186,095. The operating budget for 1933 has been reduced 14½ per cent and the tax rate for this year has been reduced 11 cents per hundred dollars.

Under the new form of government, all city services have been reorganized with elimination of overlapping functions, the segregation of related activities and the creation of distinct channels of responsibility. Nonessential personnel has been cut out and improved methods of purchasing and distribution of material have been adopted. No municipal services, however, have been eliminated. Through the installation of modern accounting control methods, City Manager C. A. Harrell is able to tell every morning the financial condition of all city funds as of the close of business the preceding day. Welfare activities have not been slashed but have been carefully supervised and financed and it is claimed that no one has been allowed to suffer.

—H. M. O.

Monthly Sessions Recommended for Ohio Legislature.—The general assembly of Ohio at present has one long session every two years, this practice dating from the days of primitive methods of transportation. A bill has been introduced in the House (No. 265) by Representative Bittinger, to substitute monthly meetings. Professor Howard White of the department of government and politics, Miami University, Oxford, Ohio, sets forth the defects of the present system and the advantages of the one proposed as follows:

Legislators now have only three or four months of preparation before the session, and for the remaining twenty months of their terms they have no further opportunity to utilize the knowledge gained unless in a special session called by the governor and limited to such subjects as he designates. The end of the legislative session is marked by a tremendous rush to pass hundreds of measures, frequently without adequate consideration, rather than wait two years for the next opportunity. Furthermore, the long session works hardship upon the private business and professional affairs of the members.

With frequent sessions legislative proposals can be considered in an orderly manner, permitting adequate deliberation—this system being effectively employed by city councils with their weekly or monthly sessions. The assembly can be expected to exercise much more intelligent and effective control over the business of the state, acting when the need is apparent but without undue haste. Expenses of frequent sessions would be no more, inasmuch as members now receive mileage for each week of every session, and a more efficient staff could be employed on full time at no greater expense than the present temporary staffs. Members would not be called upon to make as unreasonable a sacrifice of their private affairs as at present, as the total number of days would be approximately the same, with much more convenient distribution, and matters for constituents could be promptly looked after at the time of the monthly sessions.

—H. M. O.

Detroit and the Michigan Bank Holiday.—The unprecedented action of Governor William A. Comstock in closing the banks in Michigan's southern peninsula for eight days ending February 23, with restricted permission for reopening, caused considerable inconvenience to the Detroit city government, but did not affect it vitally. At the city hall it was announced that payrolls would be met out of the cash receipts of the municipal street railway. The city became technically in default on $611,000 interest due February 14, as its funds were tied up in closed banks—a situation that would be cured upon the banks' reopening. The welfare department carried on through the concerted coöperation of the private agencies.

—H. M. O.

Municipal Government on the Air in Virginia.—Beginning February 21 a series of broadcasts entitled "Your Municipal Government" was started in Virginia, sponsored by the League of Virginia Municipalities. It is given over Station WRVA, Richmond (1,110 kilocycles), every Tuesday at 8:15-8:30 p. m. Subjects for March include municipal coöperation, the council's responsibility, unemployment relief and city planning and zoning.

—H. M. O.

New England States Attempt to Aid Milk Industry.—Governors of the five New England states with the exception of Connecticut have again turned their attention to the problems of the milk producer, who a year ago was selling his product for less than cost. They appointed at that time a New England Dairy Advisory Board which evolved a plan for uniting the producers, controlling the supply and thereby obtaining a fair price for milk. A farmer-owned corporation, the New England Dairies, Inc., was formed and proceeded to make contracts with some eighteen corporations and about twelve private proprietary groups or producers, with the purpose of obtaining control of 95 per cent of the supply.

Although this was not achieved, the plan was put in operation with contracts expiring at the end of 1932. The Federal Farm Board is said to be ready to allocate a million dollars to New England Dairies to assist in the establishment of a farmer's milk distribution system, if the condition of 95 per cent control is obtained. Governor Stanley C. Wilson of Vermont, a state with a milk production of some thirty million dollars per year, is particularly insistent that the plan should not be allowed to fail.

—H. M. O.

Shifting Local Assessments to City Opposed in New York.—A survey by the Citizens Budget Commission in New York City has revealed that city and borough assessments for street improvements increased more than tenfold from 1922 to 1931 while local property owners paid only about twice as much at the end of the same period.

In 1922 local assessments accounted for 19.4 per cent of street improvement costs, with 9.6 per cent laid on city and boroughs. In 1923 local owners paid even more, but from then on the costs were progressively being shifted to the larger areas so that in 1931 the city and the boroughs together paid 37.3 per cent against 62.7 per cent for local owners. For street and park openings the 1922 percentage for local owners was 69.7 per cent; by 1931 this had shrunk to 25.3 per cent, the city and boroughs carrying the rest.

The Citizens Budget Commission is strongly opposed to this trend. That it is an important matter is evidenced by the fact that more than $122,000,000 for these improvements remain to be charged against taxpayers in 1933 and succeeding years, the 1933 amount being $19,605,458. The commission recommends that where the local owners are entitled to relief, the borough should assume this rather than the city. For the immediate benefit of the taxpayers the commission makes the extreme recommendation that no further local improvements be authorized excepting those of urgent necessity, and that the 1933 city-wide assessments amounting to some $8,000,000 be charged against the surplus in the improvement funds or otherwise removed from the budget.

For permanent improvement of procedure, the commission recommends the adoption of the proposals of the Mayor's special assessment committee, which in 1931 suggested that the cost of acquiring property for and the construction of new streets up to eighty feet in width be assessed against the local area; the next twenty feet against the borough; and all additional width against the city as a whole; that all sidewalk costs be assessed directly against the frontage benefited, and that sewer assessments be levied 100 per cent against the tributary drainage area. —H. M. O.

CONFLICTING TAXATION

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"tangible property such as homes and farms still pays over half, 53.5 per cent, of the total tax burden," and that, "if we are going to keep this a nation of homes we must take a greater share of the tax burden from the homes and place it elsewhere."

Professor Robert Murray Haig of Columbia University, and former director of research for the New York State Commission for the Revision of the Tax Laws, expressed the opinion that the time was ripe for the trial of a system of federal administered state-shared taxes.

President Franklin S. Edmonds of the National Tax Association told the Assembly that "from the standpoint of taxation government is a *trinity*, consisting of a federal government, state governments, and local governments—which have been duly constituted by the state governments, and entrusted with certain taxing powers," and that "the effort must be made to stabilize taxing rates, and provide for a larger revenue for state and local government—without increasing the heavy burden upon realty."

At a later session the delegates participated in a roundtable conference on revenue problems confronting their respective states, and following this heard members of the Congressional committee on double taxation discuss the subject of conflicting taxation.

ORGANIZATION FORMED

The Assembly devoted the remainder of its time to the work of perfecting an organization to study the problem of conflicting taxation from the point of view of the states and to take steps to solve it.

The first step in this direction was the adoption of a resolution authorizing the president of the American Legislators' Association to appoint a permanent commission. This Interstate Commission on Conflicting Taxation will be composed of representatives of the various states and will be equipped with an adequate technical staff "to study the conflicts between the states on the one hand and the federal government on the other, and to draw up proposals for the reconciliation and simplification of taxing systems." The personnel is to be announced soon.

Plans for financing the commission and its research staff were considered by the committee on finance. The difficulty of raising money at this time was recognized and it was suggested that if the legislatures cannot finance the research and technical staff, the director of the American Legislators' Association, Senator Henry W. Toll, be authorized to solicit financial support from private sources.

"This experiment without precedent in history," as the editorial page of the *New York Herald Tribune* describes it, may become a new "mechanism for negotiation" between the states and the federal government, and, in addition, a method for securing uniform legislation between the states. That the Assembly was well aware of its future possibilities is indicated in a report of its committee on committees which expressed the hope that at a later time it may be feasible to arrange that interstate commissions report on other subjects to the Assembly. Some of the subjects mentioned by this committee for future consideration were: simplification of local government; employment, rehabilitation, and effective relief policies; reorganization of state government; scope and cost of public education; protection of bank deposits; and modernization of law-making machinery.

INDIANA PUTS ITS FAITH IN GOVERNOR

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more perilous to the setting up of an efficient administrative system than is the path which leads through the jungle of legislative controversy and log-rolling. There are indications that the governor will proceed slowly and only after taking due counsel in the constructive task imposed upon him by this novel piece of legislation.

The striking fact is that there has been accomplished here, so far as the legislature is concerned, within the space of ten days from the first appearance of the bill, sweeping changes which elsewhere usually have been effected only in the face of violent opposition and after a protracted and bitter fight. This speedy result has been made possible through prompt caucus action by an overwhelming political majority thoroughly organized under the vigorous leadership of the incoming governor.